



# Australian Bureau of Statistics

## 1371.0 - Book Retailers, Australia, 2002-03

Previous ISSUE Released at 11:30 AM (CANBERRA TIME) 21/09/2004

## Summary

### Main Features

#### CHAPTER 1 INTRODUCTION

##### SCOPE

This publication presents data in respect of the 2002-03 financial year from an Australian Bureau of Statistics survey of employing businesses involved in the retail sales of books. The survey is based on data collected from businesses classified to the following industries in the Australian and New Zealand Standard Industrial Classification (ANZSIC) (see paragraph 2 of the Explanatory Notes):

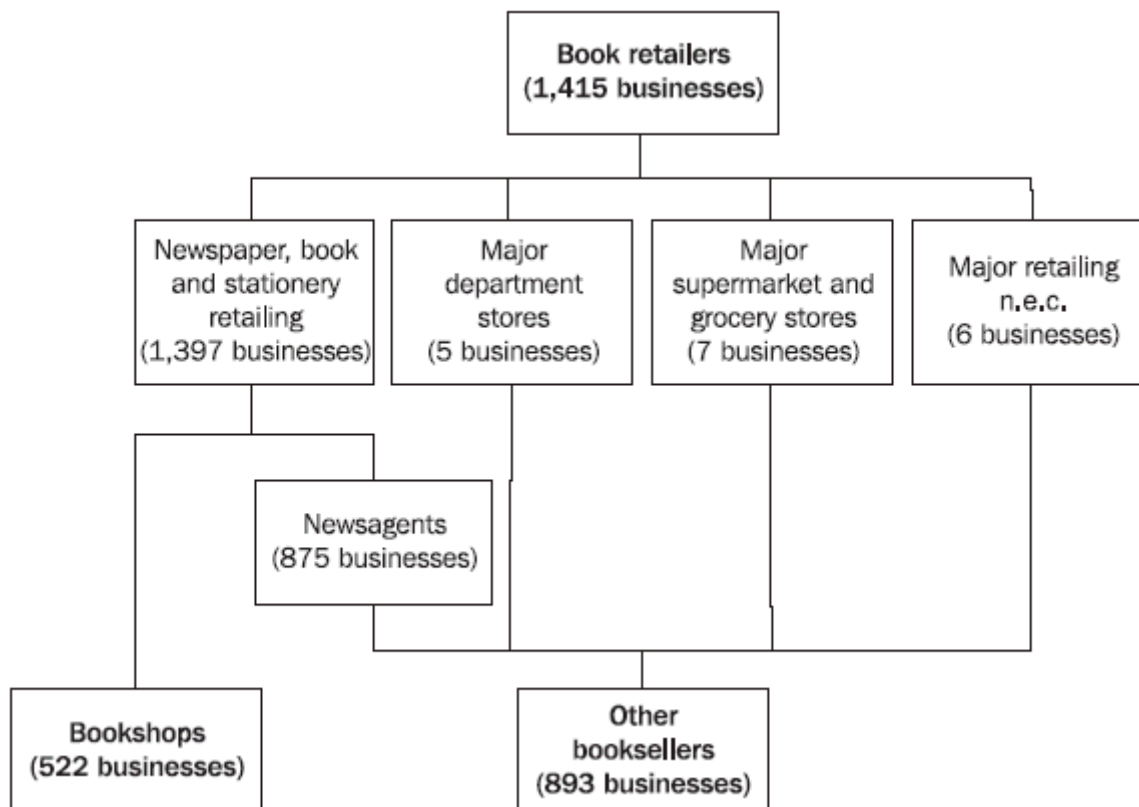
- **Supermarket and grocery stores** (ANZSIC 5110)
- **Department stores** (ANZSIC 5210)
- **Newspaper, book and stationery retailing** (ANZSIC 5243)
- **Retailing n.e.c.** (ANZSIC 5259).

Only the larger retailing businesses (those with 200 or more employees) classified as **Supermarkets and grocery stores; Department stores; and Retailers n.e.c.** have been included as the book retailing activity of smaller businesses in these industries is negligible.

Businesses classed as **Newspaper, book and stationery retailing** (ANZSIC 5243) have been further categorised as either 'Bookshops' or 'Newsagents' based on their level of bookselling activity. In this ANZSIC class, those businesses with new book sales comprising at least 50% of their total retail sales have been categorised as 'Bookshops' while those with less than 50% have been categorised as 'Newsagents' (see paragraph 8 of the Explanatory Notes).

Many businesses operate from more than one location; however, only the activity of locations in Australia have been included in the collection. All book sales by overseas businesses selling directly to final consumers through the Internet or mail order have been excluded from the collection.

#### OVERVIEW OF BUSINESSES IN SCOPE OF THE BOOK RETAILING SURVEY



## CONTENT

Chapter 2 of this publication summarises the book retailing activities of all book retailers indicated above. Apart from providing data on the number and value of books sold, the Chapter gives selected financial information on the book related operations of retailers. Information is also provided on the adoption of technology by these booksellers.

Many of the book retailers included in the survey sell a variety of other goods often making it difficult to separate the costs involved and levels of employment associated with just the sale of books. Consequently, detailed information is only presented on the business operations of retailers with a predominant activity of selling books (i.e. bookshops). Chapter 3 focuses on these bookshops which were responsible for the majority (74%) of the value of new book sales in 2002-03.

## CHAPTER 2 BOOK RETAILERS

### INTRODUCTION

Sales of more than 75 million new books valued at \$1,274.9m were reported by the 1,415 employing businesses identified as having retail bookselling activity in 2002-03. The majority of businesses were newsagents (875 businesses) responsible for 9% (6.9 million) of the new books sold. Most new books (58% or 43.7 million) were sold by the 522 businesses classified as bookshops. The five major department stores sold a further 27% (20.5 million) of the new books while the remaining 6% (4.5 million) were sold by the five major supermarkets and six businesses classified as major retailers n.e.c. (tables 2.1 and 2.2).

Smaller department stores, supermarkets and retailing businesses n.e.c. were previously

found to have negligible book sales and were therefore excluded from the survey (see paragraph 4 of the Explanatory Notes).

Almost all (98%) new book sales were printed books, although \$23.1m of electronic and audio books were also sold. As the survey only covers Australian businesses (i.e. businesses operating within Australia), it is not possible to determine the overall level of consumption of books as these items are sometimes purchased directly from overseas businesses (table 2.3).

A comparison of the values reported in 2002-03 with those reported in 2001-02 indicates that there has been little change in the activities of book retailers between the two periods. While the surveys indicate increases in the number of new books sold and in the income derived from book sales, neither increase was found to be significant.

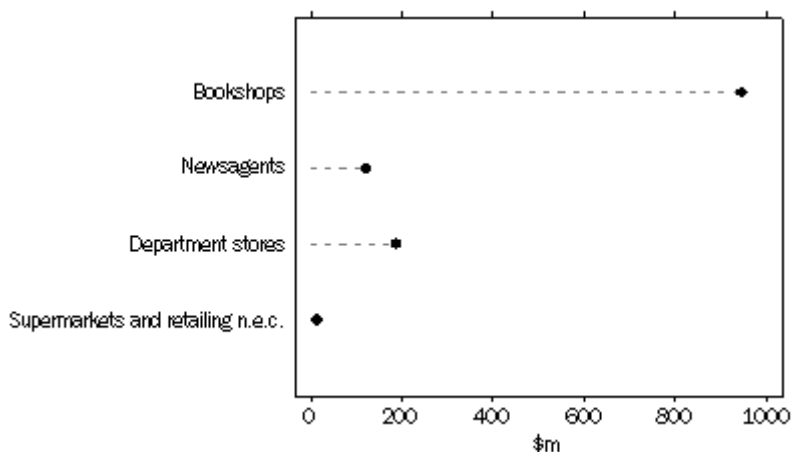
## VALUE OF NEW BOOKS SOLD

In total, book retailers earned \$1,274.9m in income from the sales of new books. Nearly three-quarters (74% or \$947.3m) of this income was attributable to bookshops. In comparison, department stores were responsible for 15% (\$188.9m) of the total income from the sales of new books; newsagents, 10% (\$122.2m); and businesses classified as supermarkets and retailing n.e.c., a total of 1% (\$16.5m) (tables 2.1 and 2.2).

The average sale price of books varied across the different types of retailers. The price of a new book from a bookshop was \$22 compared with \$18 from a newsagent, \$9 from a department store and \$4 from the remaining booksellers (tables 2.1 and 2.2).

Final consumers also purchased books from other sources, including directly from book publishers. Estimates in the ABS publication, **Book Publishers, Australia, 2002-03** (cat. no. 1363.0), show sales of books from book publishers to final consumers generated \$329.7m in 2002-03.

**VALUE OF NEW BOOK SALES BY TYPE OF RETAILER**



## INCOME

While book retailers reported a total income of \$58,165.8m, the majority of that amount (\$56,890.8m or 98%) was not from the sale of new books. The importance of new book sales to the overall operations of businesses varied substantially for the different types of book retailers. Bookshops generated 88% of their income from the sale of new books. In contrast, newsagents relied on new book sales for 11% of their income while for department

stores and combined supermarkets and retailing businesses n.e.c., new book sales were 1% or less of the total income (tables 2.1 and 2.2).

On average, individual bookshops reported income of \$1.8m from the sale of new books and another \$0.3m from other sales and services. In comparison, each newsagent earned on average \$0.1m from book sales and \$1.2m from other activities. While the five larger department stores reported an average value of new book sales of \$37.8m, this was relatively small when compared to their overall average income of \$2,989.2m. The larger supermarkets reported an average value of new book sales of \$0.9m and the larger retailing businesses n.e.c. an average of \$1.7m - both also relatively small figures compared to their overall incomes of \$5,705.2m and \$176.6m respectively (tables 2.1 and 2.2).

In 2000-01, the Educational Textbook Subsidy Scheme was introduced to assist students at Australian educational institutions. Under the Scheme, book retailers gave discounts to students for textbooks on prescribed lists and then claimed back the value of the discount from the Commonwealth Government. In 2002-03, book retailers claimed \$11.5m in return for discounts provided to students. Bookshops claimed \$11.4m of this amount compared to \$0.1m by other booksellers (table 2.3).

## **EXPENSES**

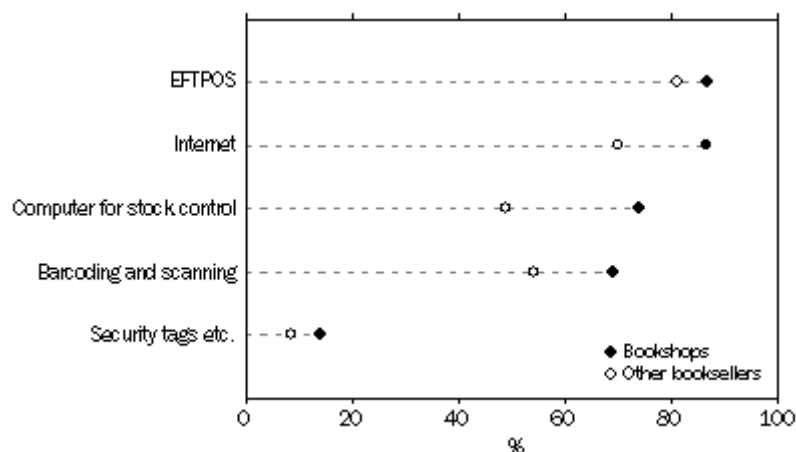
For most book retailers, it is not possible to separate expenditure on bookselling from expenditure on the sales of other products. This is particularly true for department stores and supermarkets which sell a wide range of products and for which new book sales are generally only a very small part of their total sales. Therefore of the total expenditure of book retailers as a whole (\$56,239.8m), the sale of books is a very small component. One distinguishable book related expense for book retailers is the purchase of books. In 2002-03, book retailers spent \$859.9m or 2% of their total expenditure on purchasing new books. In contrast, for bookshops, purchases of books was 56% of their total expenditure. On average, bookshops spent \$1.1m each, or a total of \$590.1m, on the purchase of new books, while the other book retailers spent an average of \$0.3m each or a total of \$269.8m (tables 2.1 and 2.2). Bookshops purchased a total of 40.8 million new books at an average price of \$14. By comparison, other book retailers purchased 34.5 million books at an average price of \$8. Book retailers purchased most (92% or \$788.8m) of their new books from Australian suppliers (table 2.4).

## **USE OF TECHNOLOGY**

In 2002-03, 96% of book retailers used computers and a range of selected other technologies, including EFTPOS (Electronic funds transfer at point of sale), barcode scanning systems and electronic security systems, in the operation of their business. Almost 98% of the bookshops reported using at least one of the technologies compared with 96% for the other booksellers (table 2.5).

Over 83% of the book retailers had EFTPOS devices allowing consumers to purchase books using their credit or debit cards. Barcoding and scanning systems, used to record revenue and also for stock control, were used by nearly 60% of businesses while electronic article surveillance or security tag systems were used by nearly 11% of businesses (table 2.5).

### **USE OF TECHNOLOGY BY TYPE OF RETAILER**



## CHAPTER 3 BOOKSHOPS

### INTRODUCTION

This Chapter provides detailed information on the operation of bookshops including their income, expenditure, profitability and employment.

### OVERVIEW

In 2002-03, there were 522 employing businesses classified as bookshops because they reported that their new book sales were at least 50% of their total retail sales. These businesses operated from 848 retail locations around Australia (table 3.8). The larger businesses (those with 20 or more people in employment), while representing only 6% (33 businesses) of the total number of bookshops, had 55% (\$525.0m) of the total income from new book sales and sold 55% (24.2 million) of the books. They also incurred 58% (\$609.1m) of the expenses (table 3.2).

For 2002-03, bookshops recorded an operating profit before tax of \$21.3m and a profit margin of 2.0%. Despite their higher proportion of total income, larger businesses did not generate a higher profit margin than the smaller businesses (those with 0-19 persons employed). The profit margin for smaller businesses was 2.4%, while the larger businesses reported a profit margin of 1.7% (table 3.2).

Bookshops recorded changes for most data items between 2001-02 and 2002-03, although few were statistically significant (see paragraph 27 of the Explanatory Notes). Two changes that were significant were operating profit before tax and associated with that - profit margin. Operating profit before tax decreased by \$17.7m to \$21.3m with an associated decrease in the profit margin of 1.6 percentage points to 2.0% in 2002-03 (table 3.1).

Bookshops reported a total income of \$1,073.5m of which 88% (\$947.3m) was from retail sales of new books. New book sales were supplemented by retail sales of other goods (including second-hand books) (\$98.5m); the Educational Textbook Subsidy Scheme (\$11.4m); the sale of services (\$3.9m); and other sources such as wholesale sales and income from royalties (\$12.3m) (table 3.3).

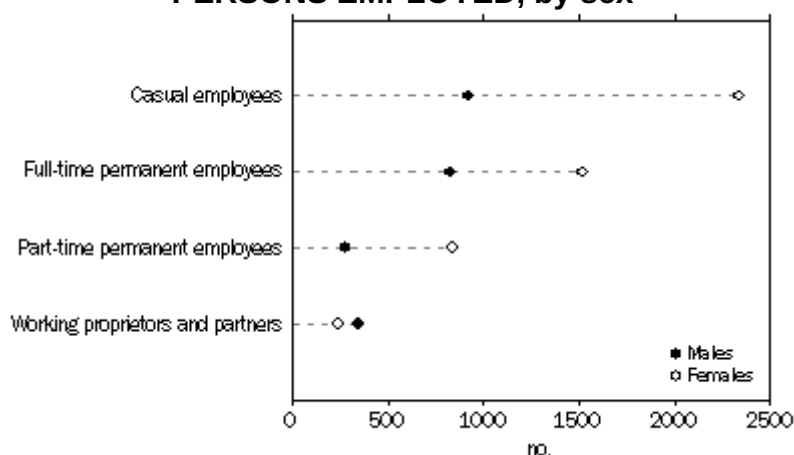
### EXPENSES

The total expenses for bookshops were \$1,057.4m in 2002-03. The purchase of goods for resale represented 64% (\$673.5m) of total expenses which included \$590.1m for the purchase of new books. Wages and salaries were 14% (\$145.8m) of total expenses. A further 2% (\$21.7m) was spent on other labour costs. There was a range of items covering the remaining 20% of costs including \$78.8m for rent, leasing and hiring; \$14.3m for depreciation and amortisation and \$14.1m for advertising (tables 3.2 and 3.4).

## EMPLOYMENT

At the last pay period ending June 2003, bookshops had a total employment of 7,336 people. This comprised 589 working proprietors and partners and 6,747 employees. Of the employees, the highest proportion were casual (48% or 3,268 employees), followed by those employed as permanent full-time (35% or 2,357 employees) and those employed as part-time permanent employees (17% or 1,123 employees). Of the total employed, over two-thirds (4,953) were female with 47% of those being casually employed (table 3.7).

**PERSONS EMPLOYED, by sex**



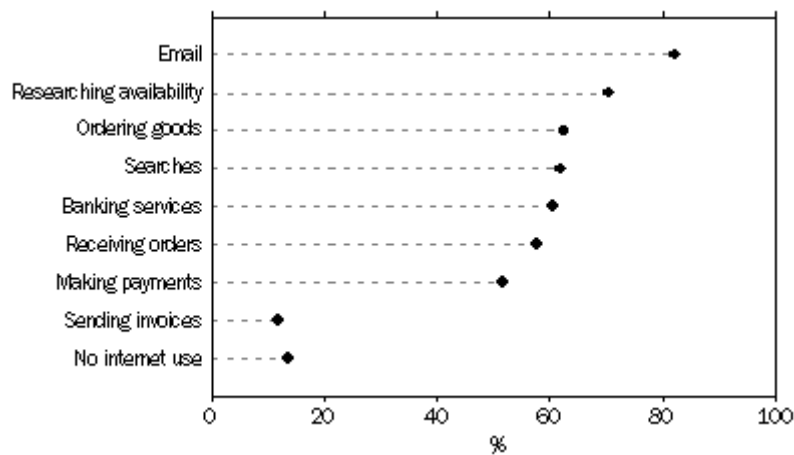
## STATE AND TERRITORY DATA

Data were collected for the Australia-wide operations of each business. Businesses operating in more than one state or territory were asked to provide a state and territory breakdown for several key data items. Victoria reported the highest number of business head offices (186). New South Wales reported the largest number of retail locations (286) and the largest employment figures (2,722 people), however, their costs for wages and salaries were less than those of Victoria (table 3.8).

## USE OF TECHNOLOGY

Bookshops reported using the Internet for a variety of activities, with the most common use being emailing (82% of bookshops); for researching the availability or cost of goods and services (71%); for ordering goods or services (62%); and for bibliographic or other information searches (62%). Over one-half (53%) of bookshops indicated that they had their own web site, home page or some other type of presence on the Internet (table 3.9).

### INTERNET USE FOR SELECTED PURPOSES



## About this Release

### ABOUT THIS RELEASE

Provides details from a survey of businesses involved in the retail sale of books. The publication presents financial and employment data for businesses whose predominant activity is selling books. In addition, data is provided on the volume and sales of books by these businesses and other book sellers such as department stores and supermarkets.

---

© Commonwealth of Australia

All data and other material produced by the Australian Bureau of Statistics (ABS) constitutes Commonwealth copyright administered by the ABS. The ABS reserves the right to set out the terms and conditions for the use of such material. Unless otherwise noted, all material on this website – except the ABS logo, the Commonwealth Coat of Arms, and any material protected by a trade mark – is licensed under a Creative Commons Attribution 2.5 Australia licence